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# SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. **240**

TRUMAN B. WAYNE,  
Petitioner,

vs.

WILLIAM W. ROBINSON, JR., and  
THE TEXAS COMPANY,  
Respondents.

**PETITION FOR A WRIT OF CERTIORARI**  
To the United States Court of Appeals for the  
District of Columbia  
and  
**BRIEF IN SUPPORT THEREOF.**

(Filed ....., 1943.)

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TRUMAN B. WAYNE,  
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THE TEXAS COMPANY,  
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## **PETITION FOR WRIT OF CERTIORARI**

To the United States Court of Appeals for the  
District of Columbia.

To the Honorable the Chief Justice, and Associate Justices  
of the Supreme Court of the United States:

Your Petitioner, Truman B. Wayne, a citizen of Texas,  
respectfully prays for a Writ of Certiorari to the United  
States Court of Appeals for the District of Columbia to  
review the judgment of that Court entered May 29, 1943.

### **BASIS OF JURISDICTION.**

The statutory provision under which jurisdiction of this  
Court is invoked is Section 240a of the Judicial Code  
(28 U. S. Code, Sec. 347). Precedent for the jurisdiction



of this Court to review, on certiorari, questions of the character here presented is found in *Nierbo Company v. Bethlehem Shipbuilding Corp.*, 308 U. S. 165; *Employers Re-Insurance Corp. v. Bryant*, 299 U. S. 374, and *Ewing, Commissioner, v. Fowler Car Co.*, 244 U. S. 1.

The statute of the United States, interpretation of which is involved herein, is the Act of March 3, 1927 (Sec. 72a, Title 35, U. S. Code), the pertinent portion of which reads as follows:

“Upon the filing of a bill in the Supreme Court of the District of Columbia wherein remedy is sought under section 63 (R. S. 4915) . . . of this title, . . . if it shall appear that there . . . (are) . . . adverse parties residing in a plurality of districts not embraced within the same State, the court shall have jurisdiction thereof . . .”

### **SUMMARY AND SHORT STATEMENT.**

Petitioner was the winner of an interference contest in the Patent Office. The interference involved four different applicants:

1. Petitioner, of Houston, Texas;
2. One William W. Robinson, Jr., assignor to The Texas Company, who were Plaintiffs in the Court below and are herein collectively referred to as Respondents;
3. One George E. Cannon, a citizen of Houston, Texas, assignor to Standard Oil Development Company,\* hereinafter collectively referred to as Standard; and
4. One Lorenz K. Ayers.

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\*This is a patent-holding subsidiary of Standard Oil Company (New Jersey) whose Texas operating subsidiary is Humble Oil and Refining Co. (T. N. E. C. Record, Part 14a, pp. 7953-5). Cannon was an employee of Humble at Houston, Texas.

Having won the interference contest, Petitioner was entitled to have granted to him a patent for the subject matter (Improvement in Oil Well Drilling Mud) (R. S. 4915, Title 35, Sec. 63, U. S. Code\*\*).

After the decision of the Patent Office tribunals awarding priority to Petitioner, Respondents filed suit in the United States District Court for the District of Columbia, purportedly under R. S. 4915 (Title 35, Sec. 63, U. S. Code), seeking to set aside the judgment of the Patent Office and to obtain for themselves (Respondents) the patent to which Petitioner had been adjudged entitled.

In their Complaint (R. 1-5) filed in the District Court Respondents joined (R. 2-3) the Standard Oil Development Company (an alleged Delaware Corporation, with place of business in New York), as well as its assignor, Cannon, as parties defendant, although they (Standard) had won nothing in the Patent Office. Neither Standard nor Cannon entered appearance in the Courts below. The fourth party, Ayers, won nothing in the Patent Office, and was not named as a party defendant.

Petitioner (appearing specially) objected (R. 9-12) to the jurisdiction of the District Court on the ground that since he was a resident of Texas, and since the relief sought by Respondents' Complaint could affect only the rights of Petitioner (but could not affect the rights of the other named defendants, who had nothing to win or lose), Petitioner could not be forced to defend his rights in the District of Columbia, more than fifteen hundred miles from home.

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\*\*Prior to the amendment of August 5, 1939 (53 Stat. 1212), this section (applicable here) provided that the issue of a patent to the successful applicant "shall be withheld pending the final determination of said proceeding under said section 4915."

## **DECISIONS OF THE COURTS BELOW.**

The District Court (Justice Jennings Bailey) sustained (R. 15-16) Petitioner's objection to jurisdiction and dismissed Respondents' Complaint (R. 18).

The Court of Appeals for the District of Columbia reversed (R. 20-22) and ruled, in effect, that in a suit under R. S. 4915 to set aside an award of priority made by the Patent Office in an interference which had involved three or more parties, the District of Columbia Courts have exclusive jurisdiction, save in a case where all the parties but the plaintiff reside in the same State.

## **QUESTION PRESENTED.**

The jurisdiction of the District of Columbia Courts is the sole issue presented,<sup>†</sup> but the specific question presented is:

Whether an individual inventor (who retains the entire legal title to his invention) can be compelled to defend his award of priority in a suit under R. S. 4915 in a district other than that of his residence, by plaintiff's artifice of posing a third party, who has no interest at stake, as a co-defendant in the suit. This question involves a construction of the Act of March 3, 1927 (Title 35, U. S. Code, Sec. 72a) to ascertain the intended meaning of the expression "adverse parties" as used therein.

## **REASONS RELIED UPON FOR THE ALLOWANCE OF THE WRIT.**

It is believed that the writ should be granted in this case for the following reasons:

I. Unless this Court intercedes in this case the decision of the United States Court of Appeals for the District of

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<sup>†</sup>Formerly the case could have been brought here by direct appeal under Section 250 of the Judicial Code (Baldwin v. Robertson, 285 U. S. 168).

Columbia becomes nationwide in effect, controlling the rights of citizens residing in every judicial circuit and every state in the United States, for no one will hereafter be so reckless as to file such a suit except in the District of Columbia. Hence, there is no practical possibility that any other Circuit Court of Appeals will have an opportunity to decide the question presented by this petition, so as to create a conflict of decision. It is inherent in the ruling of the Court of Appeals for the District of Columbia that no other Court can have jurisdiction in a situation such as that existing here. Although there presently exists no direct conflict of decision upon the point involved, there has been discord among the lower Federal Courts on the point, and there are other cases involving slightly different factual situations in which the reasoning of the Courts is wholly inconsistent with and contrary to the reasoning and conclusion of the Court of Appeals in this case. Manifestly the Court below "decided a question of general importance" [Rule 38, -5(c)].

II. The Court of Appeals has decided a question of substance relating to the construction of a Statute of the United States which has never been, but should be, settled by this Court. The decision of the Court below works a serious hardship upon individual inventors in requiring that they travel from their places of residence to the District of Columbia to defend rights awarded them by the Patent Office, and as such is inconsistent with the basic concept of Federal jurisprudence that civil suits may be brought only in the district whereof the defendant is an inhabitant. The decision of the Court below is clearly contrary to the purpose and intent of the Congress in enacting the Act of March 3, 1927, which laid venue in the District of Columbia in a very special and limited class of cases where the interference had been won by a plurality of persons (residing in different states but owning sepa-

rable interests in the one winning invention) such as co-owners, co-inventors, or an inventor and a part-assignee. The Congressional Proceedings in connection with the Act of March 3, 1927, show that it was never intended to be used as a device to force a single prevailing applicant to come to the District of Columbia to defend his award of priority.

### **PUBLIC IMPORTANCE.**

This case is extremely important to the public and particularly to inventors. Inventors are of a class of persons favored by the law, because by their inventions or discoveries they serve to "promote the progress of science and the useful arts" (Const., Art. I, sec. 8); and it is to be noted that the law contemplates rewarding "inventors" for their contributions to the arts, although such has not been the attitude of those whose purpose it has been to deprive an inventor of his reward by contesting his priority of his invention (Barbed Wire Patent Case, 143 U. S. 275, 284). It is notorious that interference proceedings are expensive, in addition to delaying the issue of the patent to the inventor by a series of appeals or proceedings. When the law provides that in an ordinary case a party should be proceeded against at the place of his residence, surely more so should this apply to an inventor who has been adjudicated to be such by the Patent Office tribunals, here by both the Examiner of Interferences and the Board of Appeals. The law does certainly not contemplate that (by the artifice of posing as a defendant a third party, who has nothing to win or lose, and who is in no sense an "adverse party") an individual who has been adjudged to be the prior inventor should be compelled to relitigate his case anywhere than at his residence. To hold otherwise will discourage rather than encourage inventors from making inventions, and will hinder rather than promote the progress of science and the useful arts.

Wherefore your Petitioner respectfully prays that a Writ of Certiorari be issued to the United States Court of Appeals for the District of Columbia to the end that this cause may be reviewed and determined by this Court; that the decree of the United States Court of Appeals for the District of Columbia be reversed, and that the Courts below be directed to dismiss the Complaint.

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## **BRIEF.**

The opinion of the District Court appears at page 15 of the record. It is not reported. The order of the District Court dismissing the Complaint for lack of jurisdiction is found at page 18.

The opinion of the Court of Appeals for the District of Columbia is found at pages 20 to 22 of the record, and is reported at 57 U. S. Patent Quarterly 514.

## **JURISDICTION AND STATEMENT OF THE CASE.**

The foregoing Petition contains a jurisdictional statement and a summary of the material facts necessary to understanding of the reasons relied upon for the allowance of the writ, as well as the questions involved in the case.

## **SPECIFICATION OF ERRORS.**

1. That the United States Court of Appeals for the District of Columbia erred in ruling that the naming as defendant of a third party having no genuine adversary interest, invests the District of Columbia Courts with jurisdiction where jurisdiction would not exist in the absence of such third party.

2. That the Court of Appeals erred in failing to rule that Standard Oil Development Company (and its assignor, Cannon) has not the slightest interest adverse to Respondent, and hence is not an "adverse party."

3. That the Court of Appeals erred in ruling that one who is the present owner of the title to one of the unsuccessful applications which had been involved in an interference proceeding in the Patent Office is an "adverse

party” within the meaning of the Act of March 3, 1927, when joined as a defendant under a Section 4915 proceeding to challenge the decision of the Patent Office.

4. That the Court of Appeals erred in failing to affirm the District Court in its holding that the case should be dismissed, because the Complaint did not show that there were parties having an adverse interest residing in different districts.

5. That the Court of Appeals erred in reversing and in not affirming the decree of the District Court.



## ARGUMENT.

### I.

#### **The Court of Appeals Predicated Its Jurisdiction Upon the Naming as Defendant of a Party Against Whom the Complaint Asserts No Jus- ticial Controversy.**

As this Court ruled in *Muskrat v. United States*, 219 U. S. 346, 31 Sup. Ct. 255, the judicial power of the Federal Courts is limited to "the right to determine actual controversies arising between adverse litigants, duly instituted in courts of proper jurisdiction." That principle was reaffirmed in *Aetna Life Insurance Company v. Hayworth*,\* 300 U. S. 227, 57 Sup. Ct. 461.

In the *Muskrat* case this Court also ruled that making a defendant of one who has no interest adverse to the plaintiff does not create a justiciable controversy.\*\* (See, also, *Minnesota v. Hitchcock*, 185 U. S. 373.)

\*"A 'controversy' in this sense must be one that is appropriate for judicial determination. *Osborn v. Bank of United States*, 9 Wheat. 738, 819, 6 L. Ed. 204. A justiciable controversy is thus distinguished from a difference or dispute of a hypothetical or abstract character; from one that is academic or moot. *United States v. Alaska S. S. Co.*, 253 U. S. 113, 116, 40 S. Ct. 448, 449, 64 L. Ed. 808. The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests. *South Spring Gold Co. v. Amador Gold Co.*, 145 U. S. 300, 301, 12 S. Ct. 921, 36 L. Ed. 712; *Fairchild v. Hughes*, 258 U. S. 126, 129, 42 S. Ct. 274, 275, 66 L. Ed. 499; *Massachusetts v. Mellon*, 262 U. S. 447, 487, 488, 43 S. Ct. 597, 601, 67 L. Ed. 1078. It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts. See *Muskrat v. United States*, supra; *Texas v. Interstate Commerce Commission*, 258 U. S. 158, 162, 42 S. Ct. 261, 262, 66 L. Ed. 531; *New Jersey v. Sargent*, 269 U. S. 328, 340, 46 S. Ct. 122, 125, 70 L. Ed. 289; *Liberty Warehouse Co. v. Grannis*, 273 U. S. 70, 47 S. Ct. 282, 71 L. Ed. 541; *New York v. Illinois*, 274 U. S. 488, 490, 47 S. Ct. 661, 71 L. Ed. 1164; *Willing v. Chicago Auditorium Association*, 277 U. S. 274, 289, 290, 48 S. Ct. 507, 509, 72 L. Ed. 880; *Arizona v. California*, 283 U. S. 423, 463, 464, 51 S. Ct. 522, 529, 75 L. Ed. 1154; *Alabama v. Arizona*, 291 U. S. 286, 291, 54 S. Ct. 399, 401, 78 L. Ed. 798; *United States v. West Virginia*, 295 U. S. 463, 474, 475, 55 S. Ct. 789, 793, 79 L. Ed. 1546; *Ashwander v. Tennessee Valley Authority*, 297 U. S. 288, 324, 56 S. Ct. 466, 472, 80 L. Ed. 688" (l. c. 464).

\*\*"It is true the United States is made a defendant to this action, but it has no interest adverse to the claimants" (page 255 of 31 Sup. Ct.).

As recently as May 24, 1942, this Court has again reaffirmed the principle that a "genuine adversary issue" must exist and that there must be an "honest and actual antagonistic assertion of rights to be adjudicated" (*United States and Roach v. Johnson*, No. 840, 1942 Term, ... U. S. ..., 87 L. Ed. 1027).

Since *Lord v. Veazie* (8 Howard 251), the Federal Courts have consistently refused to consider purported cases wherein there was "no real and substantial controversy between those who appear as adverse parties to the suit."

Assuming the Complaint here sets forth a justiciable controversy between the Respondents and Wayne, it clearly states none between the Respondents and Standard. Standard is not alleged to be in possession of any right which the plaintiff seeks to have adjudicated. True enough, Petitioner, Respondents, Standard and Ayers, had run a race in the Patent Office. Petitioner won. Standard was just an also-ran. Only Respondent challenges the judges' decision. Respondent seeks nothing from Standard. Standard has nothing to win or lose, cogent evidence of which is its failure to appear in the Courts below.

Standard is in exactly the same position as was the Commissioner of Patents<sup>†</sup> in *Coe v. Hobart Mfg. Co.*, 102 Fed. (2d) 270, where, in an effort to invest the District of Columbia Courts with jurisdiction in a case of this kind, the plaintiff had named the Commissioner of Patents as a defendant along with the party who won the interference. But in refusing jurisdiction the Court of Appeals for the District of Columbia said:

"... even if he (the Commissioner) were a proper party to a suit to review his award of priority, we think he would not be 'adverse' within the meaning of the statute. The Commissioner has not the slightest interest adverse to plaintiff; whether plaintiff or defendant gets a patent, the Commissioner neither gains nor loses."

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<sup>†</sup>R. S. 4915 (35 U. S. C. 63), even mentioning the "Commissioner."

Likewise the relief sought by Respondents here will not in anywise affect any proprietary or inchoate right, interest or immunity of Standard. Here Standard "has not the slightest interest adverse to plaintiff."

The mere naming of a distinterested party, such as Standard, as a defendant can no more create jurisdiction in a case of this kind, than the naming of the United States as a defendant in the Muskrat case could create a justiciable controversy, nor the naming of a disinterested party as a defendant in a diversity case could oust the jurisdiction of a Federal Court (*Wormley v. Wormley*, 8 Wheaton 419, 451; *Wood v. Davis*, 18 Howard 467, 469).

It has ever been held that the jurisdiction of the Federal Courts is determined by the real (i. e., the genuinely adverse) parties and not mere nominal, formal, improper or sham parties. The Texas Company and Wayne are the only parties which the Complaint shows to have any genuine adverse interest. They are the only indispensable parties.

"It can never be indispensable to make defendants of those against whom nothing is alleged and from whom no relief is asked" (*Payne v. Hook*, 74 U. S. 425).

Clearly, this suit should have been brought in Texas, where Wayne resides.

## II.

### **There Is Nothing Strange or Recondite About the Words "Adverse Parties" in the Act of March 3, 1927.**

The significance of "adverse parties" is apparent from the expression itself. Manifestly no one can be an adverse party unless he has some interest which would be injuriously affected by the judgment prayed for.†

†In *Words and Phrases*, 1940 edition, Vol. II, pages 550 to 574 are devoted to quotations from many cases in many jurisdictions defining "adverse parties." In *Corpus Juris Secundum*, Vol. II, pages 504-505, one hundred fourteen cases are cited for interpretation of the expression. Our statement above is consistent with all of these quotations and interpretations.

The Congressional Proceedings leading to the enactment of the Act of March 3, 1927, reveal no purpose or intention at variance with the ordinary meaning of "adverse parties" and fail to suggest any thought of giving to the District of Columbia Courts exclusive jurisdiction of R. S. 4915 cases simply because the Patent Office Interference had involved three or more parties.

The Congressional intention is clear from the Report of the Committee on Patents, Sixty-ninth Congress, Report No. 713 (H. R. 6252), March 30, 1926, and the testimony before that Committee (pages 19, 20). Its purpose was to permit the bringing of suits under R. S. 4915 in the District of Columbia "where a **part** interest in a patent is assigned so that a **part** owner might live in New York and a **part** owner in the far west" (Report No. 713, supra). That situation and that alone was intended to be governed by the Act. No purpose to invest the District of Columbia Courts with jurisdiction in any other type of case appears. In this case Petitioner is a sole inventor who has assigned no interest and hence is the sole owner of his patent (to be).

There is nothing to suggest a Congressional intention to give the District of Columbia Courts exclusive jurisdiction simply because the interference had involved more than two applications. In such cases, any losing party may proceed against the winning party to reverse the award of priority to the latter in favor of the former. Congress obviously intended that such a controversy, between only two parties, should be litigated in the district where the winning party resides.

As we have seen hereinbefore, the United States Court of Appeals for the District of Columbia has held that it cannot take jurisdiction of such a case where the Commissioner of Patents is named as a defendant (along with the winning contestant in the Patent Office) and asserted to be an "adverse party" because the Commissioner has nothing

to win or lose (*Coe v. Hobart Mfg. Co.*, 102 Fed. [2d] 270, reaffirmed in *Tomlinson of High Point v. Coe*, 123 Fed. [2d] 65).

In the Hobart case the Court of Appeals for the District of Columbia went on to quote with approval from Justice Jennings Bailey's decision in *Standard Oil Co. v. Pure Oil Co.*, 19 Fed. Supp., p. 835:

"To hold that the plaintiff by making a mere formal party a codefendant can compel the real defendant, the real party in interest, to come from any part of the United States and defend his rights in the District of Columbia would conflict with the general purpose of Congress as appears from the fact that ordinarily suits in the federal courts must be brought in the district in which the defendant resides. Jud. Code, § 51, as amended, 28 U. S. C. A., § 112."

In that case Justice Bailey had held that the District of Columbia Courts could not be invested with jurisdiction by naming, as a party defendant, a person who would "in no way be affected by the result of this suit."

The ruling of the Court below in this case is manifestly inconsistent with its reasoning in the cases just cited; for here it has held that Standard, which has nothing to win or lose and which will in no way be affected by the result of this suit, is a party of such character as to determine jurisdiction.

In Justice Bailey's decision dismissing the Complaint in the present case he referred approvingly to the dissenting opinion of Judge Patterson in *Nachod and U. S. Signal Co. v. Automatic Signal Corp.*, 105 Fed. (2d) 981 (C. C. A. 2), while the Court of Appeals rested its decision "in part" upon the reasoning of the majority opinion in that case. In the *Nachod* case the Second Circuit Court of Appeals had held that a suit under R. S. 4915 must be dismissed because the exclusive licensee of the winner in the Patent

Office was not an inhabitant of the district in which the suit was brought (although it was doing business there). Since the decision of this Court in *Nierbo v. Bethlehem Shipbuilding Corp.*, 308 U. S. 165, the result of the *Nachod* case has been recognized as wrong (*Nachod et al. v. Automatic Sig. Co.*, 32 Fed. Supp. 588, l. c. 590, D. C. Conn.).

In his dissenting opinion in the *Nachod* case, Judge Patterson pointed out that a licensee could not be an adverse party because he had no title of any sort in the patent but merely an immunity from suit. While the Court below seems to think that the situation of *Standard* here is more clearly "adverse" than was the situation of the licensee in the *Nachod* case, it overlooks the fact that the licensee, in the *Nachod* case, had an immunity from the Patent Office winner, while, in this case, *Standard* has no such immunity, because its applicant *Cannon* won nothing, and it (*Standard*) has accepted the Patent Office award as final.

This Court has never construed the Act of March 3, 1927. The lack of harmony among the decisions of the lower Courts suggests the urgency of a construction by this Court.

### III.

#### **That Petitioner Has Granted a License Does Not Affect the Jurisdictional Situation.**

In his petition for leave to appear specially (R. 9), *Wayne* gave notice that *Visco Products Company*, a Delaware Corporation, was the exclusive licensee under his application which had been involved in the Patent Office interference proceeding; and that *Visco* was licensed to do business in the State of Texas, where it maintains regular and established places of business at Houston and Sugarland. This notice was given by *Wayne* voluntarily on December 6, 1941, so that Respondents still had nearly

two months within which they might institute suit in the Southern District of Texas if they were so advised. No such suit was instituted, but instead Respondents moved to amend the complaint to include Visco.

Whether or not Visco Products Company, as Petitioner's exclusive licensee, is an indispensable party to a case of this sort was not determined by the Court of Appeals. The Second Circuit (Judge Patterson dissenting) so held in the Nachod case, 105 Fed. 981. But Respondents admitted in their brief filed in the Court of Appeals that:

"The diversity of residence requisite for jurisdiction under the Act of March 3, 1927 in no wise depends upon the presence of the licensee, but depends on the diversity of residence of Wayne and Development Company."

Even if the licensee is assumed to be an indispensable party, this suit could and should have been brought in the Southern District of Texas (*Nierbo Co. v. Bethlehem Shipbuilding Corp.*, 308 U. S. 165; *Vogel v. Crown Cork & Seal Co.*, 36 F. Supp. 74).

#### CONCLUSION.

For the reasons pointed out in the foregoing Petition and Brief, it is respectfully submitted that the question presented is deserving of consideration and decision by this Court, and that the writ should be granted as prayed for.

Respectfully submitted,

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(23)

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CHARLES ELMORE CROPLEY

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**BRIEF OF RESPONDENTS IN OPPOSITION TO  
PETITION FOR A WRIT OF CERTIORARI**

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**BRIEF OF RESPONDENTS IN OPPOSITION TO  
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**Statement Of The Case**

Petitioner grounds his request for a writ upon an assertion, appearing throughout his petition and brief, to the effect that defendant, Standard Oil Development Company, is a person having no interest in the litigation and therefore not an "adverse party" within the meaning of Section 4915 R. S. (U. S. C. Title 35, Section 63).

In support of this assertion petitioner relies entirely on the facts that Standard Oil Development Company (hereinafter referred to as Standard) obtained no award in the Patent Office and defaulted in answering in the present action (Pet. p. 11).

The proceedings in the Patent Office, however, show that up to the bringing of the present action, defendant, Stan-

dard, actively sought an award of priority in the interference proceedings and asserted its claim to a patent for the invention of its assignor, Cannon.

The present action grows out of a three-party interference in the Patent Office declared in July, 1936. The original parties were the petitioner, Wayne; the respondents' assignor Robinson; and the party, Ayers. Cannon, Standard's assignor, was added as a fourth party in January, 1937. The interference was contested by all four parties before the Examiner of Interferences and by Wayne, by Robinson and by Cannon, Standard's assignor, before the Board of Appeals of the Patent Office.\*

Standard, here asserted to have no interest at stake and to have been brought into the present case as a mere artifice to give the Court jurisdiction (Pet. p. 4, 11), filed a printed brief of some ninety pages in length before the Examiner of Interferences and a further printed brief of some sixty pages in length before the Board of Appeals. Following the adverse decision of the Board it was not content to rest but filed a petition for reconsideration. Thus, throughout the proceedings in the Patent Office, Standard actively asserted rights with respect to the invention which was the subject matter of the interference proceeding.

After the decision of the Board of Appeals which awarded priority as to all but two of the counts to petitioner, respondent appealed to the Court of Customs and Patent Appeals as permitted by Section 4911 R. S. (U. S. C. Title 35, Section 59a) seeking an award of priority against Wayne and against Cannon, Standard's assignor, as to all counts in issue. Petitioner, not being willing to have the matter determined by the Court of Customs and Patent Appeals, exercised his right of election

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\*The party, Ayers, took testimony in the interference proceeding but defaulted at final hearing before the Examiner of Interferences. The interference thereupon proceeded before the Board of Appeals as a three-party interference.

to have further proceedings conducted as provided in Section 4915 R. S. and filed the required notice with the Commissioner of Patents. The proceedings in the Court of Customs and Patent Appeals were thereupon dismissed as provided in Section 4911 R. S. and respondents were required to bring suit by a bill in equity in the United States District Court having cognizance of such action (Section 4915 R. S.).

Petitioner, being a resident of Texas, and the third party to the interference, namely, Standard, being a corporation of Delaware, respondent brought its suit under the Act of March 3, 1927 (U. S. C. Title 35, Section 72a) in the District Court of the United States for the District of Columbia. The relief sought in that suit is again an adjudication that respondent is entitled to an award of priority against both Wayne and Standard and an authorization to the Commissioner to issue a patent to respondent (Complaint, R. 2-4).

Petitioner moved to dismiss on the ground that the District Court for the District of Columbia had no jurisdiction in that there were no "adverse parties residing in a plurality of districts not embraced within the same state."

### **The Decisions Below**

The District Court (Justice Jennings Bailey) sustained petitioner's contention. The single paragraph of the District Court's opinion which ruled on the question of jurisdiction reads as follows (R. 15):

"On the question of jurisdiction I agree with the dissenting opinion in the case of Nachod et al. v. Automatic Signal Corp., 105 Fed. 2nd 981 and 984 to the effect that an exclusive licensee is not an 'adverse party,' within the meaning of §72(a), U. S. C. A."

There is no issue here as to an exclusive licensee. Standard is the assignee of Cannon and complaint pleads that

Standard is the present owner of the Cannon application (R. 2-3). The majority opinion in the case relied upon by the District Court does not support petitioner's contention. See discussion post page 6.

The Court of Appeals in reversing the District Court (R. 20-22) held that the *owner* of an application which was in interference in the Patent Office was an adverse "party" within the meaning of the statute, stating:

"We have no doubt that one who is 'the present owner of the title' to one of the applications which were joined in an interference proceeding is an adverse party, within the meaning of the statute, when joined as a party in a Section 4915 proceeding to challenge the decision in the Patent Office."

### The Question Presented

The single question raised by the petition is predicated upon the frequently repeated but unsupported assertion that defendant Standard has no interest in this litigation (Pet. p. 3, 4, 6, 8, 10-11). Neither the facts nor the law sustain petitioner. As we have pointed out (ante page 2), Standard had such an interest at stake that it continued its contest in the interference proceeding through the Board of Appeals of the Patent Office.

The authorities are in accord that the mere fact that a party to an interference was defeated in the Patent Office does not make such party any less adverse in a subsequent proceeding under R. S. 4915. On the contrary, it was affirmatively held in *Cleveland Trust Co. v. Nelson*, 51 F. (2nd) 276, D. C. E. D. Mich., that the interests of a plaintiff in a 4915 action and that of a defeated applicant in an interference are clearly adverse. This was a three-party interference in which plaintiff and defendant Nelson had been defeated. The Court stated (p. 277-278):

"The plaintiff's assignor was a defeated applicant for a patent before the Patent Commissioner and the Board of Appeals. The defendant Nelson is also a defeated applicant, whose interests were adverse to the plaintiff's assignor. In this suit the interests of plaintiff and the defendant Nelson are clearly adverse."

The Court of Appeals for the Second Circuit in *Hazeltine Corporation v. White*, 68 F. (2nd) 715, pointed to the reason why all claimants to a patent are indispensable in a 4915 action and to that extent are adverse to each other. That Court stated (716):

"Any decree which authorized the issuance of the patent to one party to the suit would to the same extent deny the right of the adverse parties to the patent, whether they were present or absent. \* \* \* No one is ever to be granted a patent simply by showing that another is not entitled to it. The basis of the grant is the statutory proof of a right, as against all the world, to a monopoly created by statute. \* \* \*"

Petitioner's contention, if accepted, would lead to the extraordinary conclusion pointed out by the District Court in *Hazeltine v. White*, 2 F. Supp. 94, where it said (p. 95):

"The question narrows itself to this: Do the rights accruing to Daley and Roberts under section 4915, to bring suit similar to the cause instituted by plaintiff, make them adverse parties within the meaning of the section? If this Court has jurisdiction of the present suit, it likewise would have jurisdiction in suits which might be brought by Daley and Roberts against White. Conceivably, if the three causes, instead of one, were tried, it would be possible to reach the ridiculous conclusion that Trube was earlier than White, and, therefore, was entitled to the patent; that Daley was prior to White, and that he was entitled to a patent; and, thirdly, that Roberts was prior to White, and that

he was entitled to a patent. Thus this Court would be certifying to the Commissioner of Patents in effect, if such procedure were followed, that each of the unsuccessful parties was entitled to a patent as against White. The result is a legal absurdity.

Hence it must be concluded that so long as Daley and Roberts have the right afforded by section 4915, they are adverse parties within the meaning of the law. *Cleveland Trust Co. v. Nelson* (D. C.) 51 F. (2d) 276. Of course, this Court should not entertain jurisdiction in the absence of such indispensable parties. *Ettenberg v. Blair* (D. C.) 36 F. (2d) 989."

The case on which Justice Bailey relied (*Nachod & United States S. Co. v. Automatic Signal Corporation*, 105 F. (2nd) 981) in granting petitioner's motion supports respondent rather than petitioner's contention. The majority of the Court speaking through Judge Learned Hand held that even an exclusive licensee had such an adverse interest within the meaning of Section 4915 R. S. as to make such exclusive licensee an indispensable party. The dissenting opinion of Judge Patterson turned only upon the interest of an exclusive licensee. Judge Patterson however pointed out that Section 4915 gives a remedy to a defeated applicant in the Patent Office and added that the word applicant "doubtless refers to the assignee in cases where the alleged inventor has assigned his application for patent" (p. 985). Standard having a remedy it must follow that it has an interest which is adverse to the interest of both respondent and petitioner.

In *United States v. Washington Institute of Technology*, 47 F. Supp. 384, the District Court for the District of Delaware in an action under R. S. 4915 had occasion to consider what parties were "adverse" so as to be indispensable in the action. The contention was there made that the failure to join the inventor-assignor was fatal. The Court (Judge Leahy) pointed out that Section 4915 R. S. requires "notice to adverse parties" and that under

the definition in *Shields v. Barrow*, 17 How. 130, 139, indispensable parties were “\* \* \* Persons who not only have an interest in the controversy, but an interest of such a nature that a final decree cannot be made without either effecting that interest, or leaving the controversy in such a condition that its final termination may be wholly inconsistent with equity and good conscience.”

It is submitted that any determination as to the right of either petitioner or respondent to a patent cannot be made without effecting the interest of Standard. The mere fact that Standard has not appeared in the present case does not change this, particularly in view of the provisions of Rule 55(c) of the Rules of Civil Procedure where, for good cause shown, the Court even now may set aside the default and permit Standard to litigate.

### **Petitioner's Reasons Relied Upon For The Allowance Of The Writ**

Petitioner advances two purported reasons why the writ should be allowed. The first is that the effect of the decision of the Court of Appeals will be to limit all litigation under 4915 to actions in the District Court for the District of Columbia. There is nothing in the decision of the Court of Appeals which justifies this statement. Petitioner further asserts that there has been discord among the lower federal courts on the point but petitioner cites no case and respondent knows of no case in which any court has held that a party to an interference in the Patent Office was not an adverse party and hence not an indispensable party in a subsequent action under Section 4915 R. S. The cases discussing the status of the Commissioner of Patents are obviously not pertinent.

As a second reason, petitioner states that the decision of the Court below is “clearly contrary to the purpose and intent of Congress in enacting the Act of March 3, 1927”



(Pet. p. 5). In its argument at page 13, petitioner states that the Congressional intent was limited to a situation "where a part interest in a patent is assigned so that a part owner might live in New York and a part owner in the far West". Report No. 713, however, states at the very outset that:

"The purpose of this bill is to make it more practicable to bring suit in instances where an applicant fails to get his patent from the Patent Office but is compelled to go into Court, and to make it also more practicable for him to obtain service on interested parties."

The report then states two instances which would be covered, one of which is quoted in part by petitioner. The other instance deals with a situation where three or more persons claim an interest in a patent and one resides in a foreign country. The report closes with the comment that the committee believes the amendment necessary "in order to simplify procedure in the courts where two or more persons *claiming an interest* reside in different jurisdictions". (Italics ours.)\* There is no limitation disclosed in this report such as is suggested by the petitioner.

### Public Importance

Petitioner here again asserts, as the basis for his plea that the question is of public importance, that the third party in suit, namely, Standard, is not an adverse party. It is respectfully submitted that the mere repetition of an unfounded assertion cannot give the dignity of public importance to the petition here tendered to this Court.

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\*For convenience of the Court this short report is printed in full in the appendix.

### Conclusion

Copending with the action at bar is another action under Section 4915 R. S. between the same petitioner and respondent on the same general subject matter but involving a different third party.\* The same motion to dismiss was made in that action and granted by Justice Bailey (R. 14). An appeal was taken from this decision to the Court of Appeals for the District of Columbia which noted that that appeal was a companion case to No. 8236, *Robinson et al. v. Wayne et al.* That motion and appeal involved the same asserted fundamental question concerning the jurisdiction of the Court and the matter of what constitutes adverse parties. The Court of Appeals reversed Justice Bailey and held that the case came clearly within the statute and that the District Court had jurisdiction. No application for a writ of certiorari was made by Wayne, in that case, and the mandate in that case has gone down and petitioner's time to answer has been extended to October 15, 1943.

It is curious, in view of the petitioner's urgent plea in this case, based on the asserted hardship to which he will be exposed by being forced to defend his rights in the District of Columbia more than 1500 miles from home (Pet. p. 3), a plea which is repeated under the Reasons Relied Upon for the Allowance of the Writ (R. 5) and again in the discussion under Public Importance (R. 6), that no application for relief was made in the companion case. It is suggested that this petition is not brought in good faith but for the purpose of delaying a trial of the action on its merits.

The petition should be denied.

Respectfully submitted,

RAYMOND F. ADAMS

LEE B. KEMON

Counsel for Respondents.

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\**Vietti v. Wayne*, 57 U. S. Pat. Q. 516.

## APPENDIX

### HOUSE OF REPRESENTATIVES

69TH CONGRESS  
1st Session

REPORT  
No. 713

### TO AMEND SECTION 52 OF THE JUDICIAL CODE

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MARCH 30, 1926.—Referred to the House Calendar  
and ordered to be printed

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Mr. VESTAL, from the Committee on Patents, submitted the following

### REPORT

[To accompany H. R. 6252]

The Committee on Patents, to which was referred the bill (H. R. 6252) to amend section 52 of the Judicial Code, having had the same under consideration, reports the bill to the House with amendments as hereinafter set forth, and recommends that the same be passed.

The amendments are as follows:

Section 1, line 9, strike out the word "abroad" and insert in lieu thereof, the words "in a foreign country."

Section 1, line 12, strike out the word "may" and insert the following words: "shall, unless the adverse party or parties voluntarily make appearance."

Section 1, line 2 on page 2, strike out the word "abroad" and insert in lieu thereof the words "in foreign countries."

The purpose of this bill is to make it more practicable to bring suit in instances where an applicant fails to get his patent from the Patent Office but is compelled to go into court, and to make it also more practicable for him to

obtain service on interested parties. If this amendment to the Judicial Code is adopted and becomes a part of the law, if a case should arise where a part interest in a patent is assigned, so that a part owner might live in New York and a part owner in the far West, suit could be brought by either in the Supreme Court of the District of Columbia and this court would have jurisdiction to obtain service on both parties. Or should three or more persons claim an interest in a patent and one of the parties resided in a foreign country then the Supreme Court of the District of Columbia would have jurisdiction to obtain service on all of the parties so that the case could be finally adjudicated in the one suit.

The committee believes that this amendment to section 52 of the Judicial Code is necessary in order to simplify procedure in the courts where two or more parties claiming an interest in a patent reside in different jurisdictions.

(24)

Office - Supreme Court, U. S.

FILED

SEP 21 1943

CHARLES ELMORE CROPLEY  
CLERK

# SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. 240.

TRUMAN B. WAYNE,  
Petitioner,

vs.

WILLIAM W. ROBINSON, JR., and THE TEXAS COMPANY,  
Respondents.

## PETITIONER'S REPLY BRIEF ON PETITION FOR WRIT OF CERTIORARI

To the United States Court of Appeals for the  
District of Columbia.

JOHN H. BRUNINGA,  
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1004 Market Street,  
St. Louis, Missouri,  
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# **SUPREME COURT OF THE UNITED STATES.**

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## **PETITIONER'S REPLY BRIEF ON PETITION FOR WRIT OF CERTIORARI**

To the United States Court of Appeals for the  
District of Columbia.

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To the Honorable the Chief Justice and Associate Justices  
of the Supreme Court of the United States:

That Respondents have gone outside the record (R. B. 2\*) for facts to demonstrate the adversity with which Cannon (and those claiming under him) contested the case before the Patent Office Tribunals, and their "suggestion" (R. B. 9) that Petitioner is not in good faith, impels us to call the Court's attention to a recently revealed situation which establishes two matters of importance here.

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\*Respondents' Brief is herein, for brevity, referred to as "R. B."

1. There is no genuine adversity of interest between Respondents and Standard, but the two are co-operating to beat Wayne.

2. Respondents have known since 1936 that Standard Oil Development Company is "the patent holding agent" for Humble Oil & Refining Company, a Texas corporation.

When Respondents filed their complaint in the District Court (R. 1-5) we thought it strange that Standard Oil Development Company was alleged to be "the present owner of the title to said (Cannon) application" (R. 3). We knew that Cannon was an employee of Humble Oil & Refining Company, a Texas corporation, and hence presumed that Humble might be the owner of the Cannon application, although the records showed no assignment. Investigation after this suit was filed revealed, however, that an assignment from Cannon to Standard Oil Development Company had been recorded in the Patent Office (Liber P-189, page 605)\* on November 4, 1941, two days before Respondents filed their complaint, but nearly a month after Petitioner had elected to have further proceedings conducted under R. S. 4915 (R. 4). It taxes credulity to suppose that Respondents, within the space of two days, could have seen the public record of the assignment in Washington, prepared the complaint in New York, and filed it in Washington. The circumstances suggested, at the time, that Standard was co-operating with Respondents to create a specious situation which might compel Petitioner to defend his award of priority in the District of Columbia rather than at his (and Humble's and Cannon's) home in Texas.

The supposition was taken out of this, however, when, on July 16, 1943, there came to light an agreement (copy

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\*Photostatic copy of such assignment is inserted at the end of the Appendix to this Brief.



of which is reproduced in the Appendix hereto) between The Texas Company, Standard Oil Development Company, and Humble Oil & Refining Company. This agreement was produced by Respondent, The Texas Company, in answer to an interrogatory in the case of Truman B. Wayne et al. v. The Texas Company, now pending in the United States District Court for the Southern District of Texas. The agreement recognizes that The Texas Company and Humble are both interested in drilling mud problems and their desire to co-operate (first recital, A-1\*), and it recognized (second recital, A-1) that Standard Oil Development Company is "the patent holding agent for Humble." It then provided for exchange of royalty-free licenses (§ 2, A-23); exchange of operating, manufacturing and research information (which as to third parties would be confidential) and an agreement to share expense (§ 3, A-3); exchange of copies of patent applications, progress reports anent them, and restriction on abandonment of them (§ 6, A-5-6); settlement of interferences (§ 8, A-6-7). By supplementary agreement they agreed to split the royalties or proceeds from the patents involved (A-10). And finally, on August 7, 1941,† Respondent signed another supplemental agreement with Standard by which, inter alia, each was empowered to grant licenses under the other's "phosphate patent rights"\*\*\* (§ 5 and 6, A-16-17), and each covenanted not to sue the other for any future infringement of any phosphate patent rights.

Thus the series of agreements makes it clear that, as between Texas and Standard, it is tweedledum or tweedledee which one of them receives a patent.

It was only by virtue of Respondent The Texas Com-

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\*A-1, A-2, etc., indicate page numbers of the Appendix hereto.

†The Patent Office Board of Appeals rendered its decision August 4, 1941 (R. 4).

\*\*The subject matter in issue here is the use of a hexameta phosphate in the treatment of drilling mud.

pany's inside knowledge of the Humble-Standard Oil Development Company relation that Respondents knew to allege Standard Oil Development Company as the present owner of the Cannon application. Had it not been for this inside knowledge this suit would, perforce, have been filed in Texas, even if Respondents had believed that Cannon (or the owner of his application) was an indispensable party to the cause. One not having the inside knowledge would have filed the suit in Texas and if he believed, as Respondents here contend, that Cannon was an indispensable party he could have named him as such, because he, like Wayne, resides within the Southern District of Texas; so does Humble, for which Standard is simply "the patent holding agent." It thus appears that Respondent Texas has not merely resorted to an artifice of posing a third party (Standard), who has no interest at stake, as a codefendant in the suit, but that such third party's "interest" is really in an entity (Humble) who, like Wayne and Cannon, could have been sued in Houston, Texas.

We think these facts demonstrate that the charge of bad faith was misdirected.

We agree with Respondents' assertion (R. B. 3) that "there is no issue here as to an exclusive licensee." The plain import of the passage of Justice Bailey's decision quoted by Respondents (R. B. 3) is that, since he agreed that an exclusive licensee was not an adverse party in a case such as this, so much less so must be Standard Oil Development Company, who is no licensee at all under the prevailing (Wayne) application.

None of the cases cited by Respondents (R. B. 4-7) presented the naked question of whether all of the losers in a multi-party interference are adverse parties within the meaning of R. S. 4915, except the District Court's decision in the case of Hazeltine Corp. v. White et al., 2 F. Supp. 94. Judge Galston's decision there is contrary to our con-

tention here, but it was based upon a dictum in *Cleveland Trust Co. v. Nelson et al.*, 51 F. (2d) 276.

It is clear from an examination of Judge Simons' decision in *Cleveland Trust Co. v. Nelson* that the real question involved was the constitutional jurisdiction of the Court to consider a case under R. S. 4915. What was said with reference to the adversity of interest between the plaintiff (a loser) and defendant, Nelson (another loser) was clearly *obiter dicta*, as was the statement that the Commissioner of Patents "is always a possible adverse party," the latter statement being clearly inconsistent with the ruling of the Court of Appeals for the District of Columbia in *Coe v. Hobart Mfg. Co.*, 102 F. (2d) 270, and *Tomlinson of High Point v. Coe*, 123 F. (2d) 65.

The *Hazeltine* case did not reach the Court of Appeals until after the bill of complaint had been amended to make all other losing parties defendants. The real question thus presented to the Court of Appeals and the only question necessary for its decision was that of jurisdiction of persons of the additional parties. Hence what was said by the Court of Appeals for the Second District in *Hazeltine v. White*, 68 F. (2d) 715, with reference to the question of adverse parties is *obiter dicta*. The Court of Appeals was no doubt largely influenced by the fact, which has no parallel here, that the other losing parties had in the meantime instituted suits under R. S. 4915 in the District of Columbia.

The quotation from *Shields v. Barrow*, 17 How. 130 (R. B. 7), has no application here because Standard has nothing at stake. It owns no interest in Wayne's invention; a final decree can be made without affecting any interest of Standard's (unless, pursuant to the agreements appended hereto, Standard may be considered as having an interest with Texas in the invention of Robinson, but in that case Standard's interest is not adverse to Respondents but in

accord with them). There being no adversity of interest between the plaintiff (Texas) and a named defendant (Standard), the presence of that named defendant cannot be determinative of venue.

In their comments with reference to the Report of the Congressional Committee on The Act of March 3, 1927 (R. B. 8), and in quoting from the closing paragraph thereof, Respondents **omit** three very important words, italicized below. The complete closing paragraph reads as follows:

“The committee believes that this amendment to Section 52 of the Judicial Code is necessary in order to simplify procedure in the courts where two or more parties claiming an interest *in a patent* reside in different jurisdictions.”

For two or more persons to claim “**an interest in a patent**” they must stand either as coinventors or part assignees or both, all deriving their title from the same act of inventing. This is in total contrast with the situation of Texas, Standard, and Wayne, whose conflicting claims were based upon separate and distinct acts of inventing. Respondent does not claim an interest in Wayne’s patent (in prospect). Neither did Standard. Respondent claims to be entitled to a wholly different patent, albeit for the same thing, but a patent for Robinson’s invention and not for Wayne’s. Standard did, in the Patent Office, claim to be entitled to a still different patent based upon Cannon’s invention. For parties to be “claiming an interest in a patent” requires that their titles be derived directly from the inventor who applied for that patent. They must claim under, not against, that inventor.

The case of Vietti et al. v. Wayne et al., decided by the Court of Appeals for the District of Columbia and discussed in Respondents’ Brief, involved a situation which we do not have here, namely, Cannon and Standard did

win something, i. e., on one claim or count, while here Cannon and Standard did not win anything. As the Court of Appeals said in that case, "there is an additional question"; that additional question is not involved in this case.

### CONCLUSION.

We reassert that the Congress showed no intention of giving exclusive jurisdiction of cases of this sort (arising from interferences involving more than two conflicting parties of diverse residence) to the Courts of the District of Columbia. We insist that the Congress has shown no intention of making a private individual, like Wayne, subject to suit fifteen hundred miles from home, where such could be avoided. It is clear that such could have been avoided in the present situation.

Wherefore, we submit that the Petition should be granted.

Respectfully submitted,

TRUMAN B. WAYNE,

By JOHN H. BRUNINGA,  
JOHN H. SUTHERLAND,  
1004 Market Street,  
St. Louis, Missouri,  
Counsel for Petitioner.

St. Louis,  
September 13, 1943.

**APPENDIX.**

United States District Court,  
Southern District of Texas,  
Houston Division.

Civil Action No. 1041.

Truman B. Wayne et al.

vs.

The Texas Company.

**Certified Copy**  
**of**  
**Excerpts From Defendant's Answer to**  
**Certain Interrogatories, etc.**

## AGREEMENT.

This Agreement, effective the first day of January, 1936, by and between The Texas Company, a Delaware corporation, having a place of business at 135 East 42nd Street, New York, New York, hereinafter called "Texas", and the Humble Oil & Refining Company, a Texas corporation, having a place of business at Houston, Texas, hereinafter called "Humble" and the Standard Oil Development Company, a Delaware corporation, having a place of business at 26 Broadway, New York, New York, hereinafter called "Development".

Witnesseth That:

Whereas, Texas and Humble are utilizing compositions of drilling and mud fluids in the drilling of wells where it is necessary to seal water or gas sands and other formations and prevent caving or heaving and are individually conducting research work in connection with the manufacture and use of such compositions and now desire to cooperate in the conduct of such research work and to exchange technical information and patent licenses in this field; and

Whereas, Development is the patent holding agent for Humble.

Now, Therefore, for and in consideration of One Dollar (\$1.00) by each of the parties to the other in hand paid, receipt of which is hereby acknowledged, and the mutual covenants hereinafter recited, it is understood and agreed as follows:

1. Whenever used in this agreement, the following terms shall be deemed to have the following meanings:

(a) "Field of invention" shall mean a field covering compositions of drilling and mud fluids adapted for use in connection with the drilling of wells to seal water or gas sands and other formations and prevent caving or heaving, and processes of, and apparatus primarily designed for, making and using such compositions. Inventions belonging outside of this field but usable in the field are to be classified, by mutual agreement of Texas and Humble, on the basis of their most important use.

(b) "Patent rights" shall mean all such claims, but only such claims, of United States Letters Patent and transferable rights thereunder as cover processes, apparatus or products falling within the field of invention defined in sub-paragraph (a) of this paragraph 1. The respective patent rights of Texas and Development (as patent holding agent for Humble) shall mean those patent rights as defined in the preceding sentence of which Texas or Development individually has, or Texas and Development jointly have, the ownership or control in the sense of having the power to grant licenses thereunder for the aforementioned field of invention and which are based upon inventions conceived or reduced to practice by employees of Texas or Humble as the case may be, or by employees of Texas and Humble jointly, between January 1, 1932 and January 1, 1950.

(c) "Subsidiaries" shall mean all corporations of which the parent company owns directly or indirectly more than fifty per cent (50%) of the stock having the right to vote for directors. For the purpose of this definition, the stock owned by the parent company shall be deemed to include all stock having the right to vote for directors and owned directly or indirectly by any of its subsidiaries as defined above.

2. (a) Texas hereby grants and agrees to grant to Humble and to Development a royalty-free, non-exclusive, non-



transferable, irrevocable license to make and use, but not to sell the subject matter of its patent rights as hereinbefore defined in sub-paragraph 1 (b) hereof. The license so granted may be extended by Development to the operating subsidiaries of the Standard Oil Company, a corporation of New Jersey.

(b) Development, on behalf of Humble, hereby grants and agrees to grant to Texas, a royalty-free, non-exclusive, non-transferable, irrevocable license to make and use, but not to sell, the subject matter of its patent rights as hereinbefore defined in sub-paragraph 1 (b) hereof. The license so granted may be extended by Texas to the other operating subsidiaries of Texas' parent company, The Texas Corporation.

3. (a) Texas and Humble hereby agree that they will exchange operating, manufacturing and research information relating to the field of invention, of which they now are, or may become, possessed prior to January 1, 1950, unless this agreement be sooner terminated in accordance with the provisions of paragraph 9 hereof.

(b) Texas and Humble agree that, with respect to third parties, information exchanged between them in accordance with provisions of sub-paragraph 3 (a) hereof shall be treated as confidential. For the purpose of this paragraph subsidiaries of Texas' parent company, The Texas Corporation, and subsidiaries of the Standard Oil Company, a corporation of New Jersey, shall not be considered as third parties.

(c) Expenses incurred by Texas and Humble in connection with the exchange of information under the provisions of sub-paragraph 5 (a), shall be borne by the party furnishing the information; provided, however, that if either party is placed under unusual expense in furnishing certain items of such information, it shall have the right to

submit an accounting covering the cost of furnishing such items of information to the other party and in the event that it is mutually agreed that such items involve an unusual expense, the cost connected therewith shall be shared by Texas and Humble equally.

4. (a) United States and foreign Letters Patent based on inventions falling within the field of invention hereinbefore defined, developed jointly by employees of Texas and Humble during the life of this agreement, shall be assigned to Texas and Development jointly and equally, subject only to a non-exclusive, irrevocable, paid-up license which shall be reserved automatically for and on behalf of Humble.

(b) Texas and Humble each agrees to use its best efforts to induce its respective officers, agents and employees to assign to Texas and Development jointly and equally, subject only to a non-exclusive irrevocable, paid-up license which shall be reserved automatically for and on behalf of Humble, any inventions in respect of which Letters Patent issued thereon would come within the terms of sub-paragraph 4 (a) of this agreement, hereafter made by such officers, agents and/or employees.

(c) Texas and Humble each agrees that when requested by the other party it will execute and deliver such further documents as may be necessary, now or hereafter, to carry into effect the provisions of sub-paragraph 4 (a) hereof.

5. (a) An application for United States Letters Patent shall be filed on joint inventions of employees of Texas and Humble, made during the life of this agreement and falling within the field of invention, by either Texas or Development as may be mutually agreed on in each instance, and shall be prosecuted by such party and all out-of-pocket expenses incurred by such party in connection with the filing and prosecution of such application shall be

shared equally by Texas and Development; provided, however, that if it shall be necessary for the attorneys of either party to devote an unusually large amount of time to the filing or prosecution of any such application such party shall have the right to submit to the other party an accounting covering the cost of such legal services and in the event that it is mutually agreed that such items involve an unusual expense, such unusual expense shall be shared equally by Texas and Humble. The parties shall confer as to the desirability of filing corresponding foreign applications for Letters Patent and such applications shall be filed and prosecuted in accordance with the provisions of this paragraph 5 in the same manner and on the same conditions as an application for United States Letters Patent.

(b) The party so prosecuting one or more applications for Letters Patent shall keep the other party (viz., Texas or Development as the case may be) advised at all times during the continuance of this agreement of the status of the applications which it may file and prosecute in accordance with the provisions of sub-paragraph 5 (a) hereof, and shall forward to such other party, immediately upon receipt thereof, a copy of all Office Actions and other communications, including those relating to interference proceedings involving such inventions, that it may receive, and shall also forward to such other party simultaneously with the filing thereof, a copy of the applications for Letters Patent and of all amendments and other communications filed by it in connection with such inventions to the end that both of such parties may be fully advised at all times of all proceedings in connection with the prosecution of such patent applications.

6. (a) Texas and Development will each provide the other, as soon as possible after the filing thereof, with a copy of all applications for United States Letters Patent

filed on inventions of employees of Texas or Humble, as the case may be, made during the life of this agreement and falling within the field of invention. Texas and Development further agree to keep each other advised as to progress made in the prosecution of such applications for Letters Patent and agree to confer as to the desirability of filing corresponding foreign applications for Letters Patent. The cost of filing and prosecuting all such United States and foreign applications for Letters Patent shall be borne in each instance by the party owning the invention, unless otherwise agreed.

(b) In the event that either Texas or Development shall desire to abandon a United States or foreign application for Letters Patent or foreign Letters Patent, based on an invention of employees of Texas or Humble, as the case may be, made during the life of this agreement and falling within the field of invention, such party, upon request of the other party, shall permit inspection of the file wrapper of such application or such Letters Patent and if requested in writing by the other party hereto shall turn over the application for Letters Patent to the other such party for further prosecution at its own expense or shall permit the other party to maintain such Letters Patent at its own expense.

7. Texas and Development agree that immediately upon the execution of this agreement they will exchange copies of all Letters Patent and applications for Letters Patent controlled by them, falling within their respective patent rights as hereinbefore defined.

8. Texas and Development agree that interferences between Texas and Humble, the subject matter of which falls within the definition of patent rights as hereinbefore defined, shall be settled, if possible, by mutual agreement after inspection of the invention dates available to the

applicants; if an agreement cannot be reached between them, the interference shall be prosecuted within the Patent Office for determination there.

9. This agreement shall remain in full force and effect until January 1, 1950 unless sooner terminated by one of the parties hereto. Either Texas or Humble may cancel this agreement on or subsequent to January 1, 1939 by giving twelve (12) months' written notice of its election to cancel, to the other such party.

10. This agreement shall benefit and be binding upon the respective parties hereto and their respective successors in interest.

11. The addresses of the parties hereto for all purposes specified in this agreement shall be as follows:

The Texas Company  
135 East 42nd Street  
New York, New York

Humble Oil & Refining Company  
Humble Building  
Houston, Texas

Standard Oil Development Company  
26 Broadway  
New York, New York

Any party shall have the right to change such address by notice in writing directed to the other parties hereto.

In Witness Whereof, the parties hereto have respectively caused this instrument to be executed on the dates herein-after indicated.

The Texas Company

By /s/ R. Ogarrio

Vice President

Approved by

R. J. D.

Attest:

/s/ W. G. Elicker

Date: March 16, 1936

OK H. D. W. Jr.

Form OK HHB

Humble Oil & Refining Company

By /s/ John R. Suman

Vice President

Attest:

/s/ F. O. Freese

Date: Feby. 17, 1936

Standard Oil Development Company

By /s/ William E. Currie

Vice President

Attest:

/s/ Ross H. Dickson

Date: Feb. 27, 1936

## SUPPLEMENTAL AGREEMENT.

This Supplemental Agreement, effective as of the first day of January, 1936, by and between The Texas Company, a Delaware corporation, having a place of business at 135 East 42nd Street, New York, New York, hereinafter called "Texas", the Humble Oil & Refining Company, a Texas corporation, having a place of business at Houston, Texas, hereinafter called "Humble", and the Standard Oil Development Company, a Delaware corporation, having a place of business at 26 Broadway, New York, New York, hereinafter called "Development";

### Witnesseth That:

Whereas, the parties hereto heretofore entered into an agreement effective the first day of January, 1936, under which they exchanged licenses relating to drilling and mud fluids; and

Whereas, the parties now desire to extend said agreement to provide for the sharing of revenues received by them as damages for infringement, or royalties from licenses granted, in the field forming the subject matter of said agreement.

Now, Therefore, for and in consideration of One Dollar (\$1.00) by each of the parties to the other in hand paid and the mutual covenants and agreements hereinafter set forth, the parties covenant and agree as follows:

1. The parties hereto agree that the aforementioned agreement effective the first day of January, 1936 shall be and hereby is supplemented and amended by inserting a new paragraph 12 reading as follows:

"12. (a) The parties hereto specifically agree that each such party shall be free to grant licenses under

its own patent rights upon such terms and conditions, at such royalty rates, and to such companies, as it may deem advisable.

“(b) Each of the parties hereto agrees that it will deliver promptly to the other parties hereto copies of all licenses granted by it to third parties under its patent rights, as hereinbefore defined.

“(c) It is further agreed that any and all revenues received by the parties hereto by way of damages for the infringement of, or as royalty for licenses under, their respective patent rights, as hereinbefore defined, shall be divided equally between Texas and Development; provided, however, that the parties shall be under no obligation to account for any licenses, immunities or other non-monetary compensation received as damages or in exchange for such licenses. The parties further agree to account to each other on or before the last day of January of each year for the gross revenues so received during the preceding calendar year.”

2. The parties hereto agree that nothing contained in the aforementioned agreement effective the first day of January, 1936 or this supplement thereto shall constitute a partnership relation between the parties hereto.



In Witness Whereof, the parties hereto have respectively caused this instrument to be executed on the dates hereinafter indicated.

**The Texas Company**

**By R. Ogarrio**

**Vice President**

**Approved**

**W. M. S.**

**Attest:**

**W. G. Elicker**

**Date: 5-23-38**

**Humble Oil & Refining Company**

**By John R. Suman**

**Vice President**

**Attest:**

**M. B. Fox**

**Asst. Sec'y**

**Date: 5-5-38**

**Standard Oil Development Company**

**By William E. Currie**

**Vice President**

**Attest:**

**Ross H. Dickson**

**Ass't. Secretary**

**Date: 5-12-38**

## SETTLEMENT AND CROSS-LICENSE AGREEMENT.

This Agreement, effective as of the first day of May, 1941, by and between The Texas Company, a Delaware corporation, having a place of business at 135 East 42nd Street, New York, New York, hereinafter referred to as "Texas", and Standard Oil Development Company, a Delaware corporation, having a place of business at Linden, New Jersey, hereinafter referred to as "Development";

### Witnesseth That:

Whereas, Texas represents that it is the owner of the entire right, title and interest in and to the following:

Application Serial No. 152,463 for United States Letters Patent, filed by Allen D. Garrison on July 7, 1937, for "Preparation of Drilling Muds", and

Application Serial No. 152,464 for United States Letters Patent, filed by Allen D. Garrison on July 7, 1937, for "Process of Preparing Phosphorus and Boron-containing Compounds and Products Obtained Thereby"; and

Whereas, Development represents that it is the owner of the entire right, title and interest in and to the following:

Application Serial No. 164,870 for United States Letters Patent, filed by Milton Williams on September 21, 1937, for "Addition Agents for Enhancement of the Properties of Drilling Muds",

Application Serial No. 379,043 for United States Letters Patent, a division of the foregoing, filed by Milton Williams on February 15, 1941, for "Addition Agents for Enhancement of the Properties of Drilling Muds", and

Application Serial No. 164,871 for United States Letters Patent, filed by Milton Williams on September 21, 1937, for "Water-Soluble Boron-Phosphate Glasses", and

Application Serial No. 164,872 for United States Letters Patent, filed by Milton Williams on September 21, 1937, for "Method of Producing a Water-Soluble Glass in Form of 'Cotton'"; and

Whereas, the aforementioned Application Serial No. 152,463 for United States Letters Patent and Application Serial No. 164,871 for United States Letters Patent are now involved in an interference in the United States Patent Office, designated as Interference No. 78,678, which was declared on September 30, 1940; and

Whereas, the parties hereto desire to settle this interference without further contest in order to avoid the delays and expenses which might be involved in the further litigation of the issues thereof; and

Whereas, the parties hereto and Humble Oil & Refining Company, a Texas corporation, hereinafter referred to as "Humble", entered into a certain agreement effective as of the first day of January, 1936 by which agreement and certain other agreements supplemental thereto the parties hereto exchanged non-exclusive licenses under, and agreed to share equally in all revenues received by them as damages for the unlicensed use of or royalty for the licensed use of, their respective inventions falling within a "field covering compositions of drilling and mud fluids adapted for use in connection with the drilling of wells to seal water or gas sands and other formations and prevent caving or heaving, and processes of, and apparatus primarily designed for, making and using such compositions"; and

Whereas, certain of the aforementioned inventions fall within the field of the said agreements now existing be-

tween the parties while other of said inventions fall without the defined field; and

Whereas, the parties desire to exchange immunities from suit and the right to grant licenses under such of the aforementioned inventions as do not come within the scope of the existing agreements and desire to share equally in the income received therefrom;

Now, Therefore, for and in consideration of One Dollar (\$1.00) by each of the parties to the other in hand paid and the mutual covenants and agreements hereinafter set forth, the parties covenant and agree as follows:

1. Texas and Development hereby each covenants that it has the right and power to enter into this agreement.

2. (a) Texas and Development hereby agree to settle the aforesaid Interference No. 78,678, without contest in the United States Patent Office, by the mutual exchange of evidence with respect to the pertinent invention dates and by the filing of such suitable written disclaimers or such other necessary documents as may be agreed upon by Texas and Development in view of the facts.

(b) In the event, however, that the parties hereto cannot agree within three (3) months from the effective date of this agreement as to which of the applicants was the first to invent the subject matter in issue in said interference, then the question of priority may be submitted to the United States Patent Office for determination, but it is expressly understood and agreed by the parties hereto that regardless of the procedure followed for the determination of the question of priority of invention, the immunities from suit and licensing rights herein exchanged shall remain in full force and effect.

3. The parties hereto agree that the successful party, as determined in accordance with the provisions of section 2

hereof, will make diligent efforts to obtain United States Letters Patent containing claims adequately covering the invention defined by the counts of said Interference No. 78,678, and that both parties will make diligent efforts to obtain United States Letters Patent on any other invention or inventions commonly disclosed by the applications for United States Letters Patent involved in this interference.

4. Wherever used in this agreement the following terms shall be deemed to have the following meanings:

(a) "Field of invention" shall mean a field covering a water-soluble glass containing a phosphate radical and a normally solid element, in compounded form, other than phosphorous, of groups 2 to 8 of the periodic system having a normally solid oxide, and apparatus and methods for making and using such glass. Inventions belonging outside of this field but usable in the field are to be classified, by mutual agreement of Texas and Development, on the basis of their most important use.

(b) "Phosphate patent rights" shall mean all such claims, but only such claims, of Letters Patent of all countries and transferable rights thereunder as cover processes, apparatus or products falling within the field of invention defined in paragraph (a) of this section 4. The respective phosphate patent rights of Texas and Development shall mean those phosphate patent rights as defined in the preceding sentence of which Texas or Development has the ownership or control (in the sense of having the power to grant licenses thereunder) for the aforementioned field of invention and which are based upon inventions of employes of Texas and of the other subsidiaries of its parent company, The Texas Corporation, a Delaware corporation, or employes of Development, the other subsidiaries of its parent company, Standard Oil Company, a New Jersey corporation, and Humble, conceived or reduced to practice between January 1, 1936 and December 31, 1948.

(c) "Subsidiaries" shall mean all corporations of which the parent company owns directly or indirectly more than fifty per cent (50%) of the stock having the right to vote for directors. For the purpose of this definition, the stock owned by the parent company shall be deemed to include all stock having the right to vote for directors and owned directly or indirectly by any of its subsidiaries as defined above.

5. (a) Texas hereby agrees that it will not sue Humble, Development or any operating subsidiary of Development's parent company, Standard Oil Company, a corporation of New Jersey, for any future infringement of any of the phosphate patent rights of Texas.

(b) Texas hereby grants and agrees to grant to Development, on the terms and conditions hereinafter set forth, the non-exclusive, irrevocable right to grant to others under the phosphate patent rights of Texas non-exclusive licenses to make, use and sell the subject matter of such phosphate patent rights, and Texas further agrees that such licensing rights may be extended by Development to the other subsidiaries of said Standard Oil Company and to Humble, but that such rights shall be otherwise non-transferable.

6. (a) Development hereby agrees that it will not sue Texas or any operating subsidiary of its parent company, The Texas Corporation, a corporation of Delaware, for any future infringement of any of the phosphate patent rights of Development.

(b) Development hereby grants and agrees to grant to Texas, on the terms and conditions hereinafter set forth, the non-exclusive, irrevocable right to grant to others under the phosphate patent rights of Development non-exclusive licenses to make, use and sell the subject matter of such phosphate patent rights, and Development further agrees that such licensing rights may be extended by

Texas to the other subsidiaries of said The Texas Corporation, but that such rights shall be otherwise non-transferable.

7. (a) Texas and Development hereby agree that they will exchange operating, manufacturing and research information relating to the field of invention, of which they now are, or may become, possessed prior to December 31, 1948, unless this agreement be sooner terminated in accordance with the provisions of paragraph 14 hereof.

(b) Texas and Development agree that, with respect to third parties, information exchanged between them in accordance with the provisions of paragraph (a) of this section 7, shall be treated as confidential. For the purpose of this paragraph subsidiaries of said The Texas Corporation, Humble, and subsidiaries of said Standard Oil Company shall not be considered as third parties.

(c) Expenses incurred by Texas and Development in connection with the exchange of information under the provisions of paragraph (a) of this section 7, shall be borne by the party furnishing the information; provided, however, that if either party is placed under unusual expense in furnishing certain items of such information, it shall have the right to submit an accounting covering the cost of furnishing such items of information to the other party and in the event that it is mutually agreed that such items involve an unusual expense, the cost connected therewith shall be shared by Texas and Development equally.

8. Texas and Development each agrees to use its best efforts to secure proper assignments to it of any invention in respect of which Letters Patent issued thereon would come within its phosphate patent rights as defined in paragraph 4 (b) hereof.

9. (a) Texas and Development will each provide the other, as soon as possible after the filing thereof, with a copy of all applications for United States Letters Patent the claims of which on issuance would fall within the definition of phosphate patent rights. Texas and Development further agree to keep each other advised as to progress made in the prosecution of such applications for Letters Patent and agree to confer as to the desirability of filing corresponding foreign applications for Letters Patent. The cost of filing and prosecuting all such United States and foreign applications for Letters Patent shall be borne in each instance by the party owning the invention, unless otherwise agreed.

(b) In the event that either Texas or Development shall desire to abandon foreign Letters Patent falling within, or a United States or foreign application for Letters Patent the claims of which on issuance would fall within, the definition of phosphate patent rights, such party shall notify the other party hereto of its desire to abandon such Letters Patent or application for Letters Patent, and, upon request of the other party, shall permit inspection of the file wrapper of such application or such Letters Patent and if requested in writing by the other party hereto shall turn over the application for Letters Patent to the other such party for further prosecution at its own expense or shall permit the other party to maintain such Letters Patent at its own expense.

10. Texas and Development agree that immediately upon the execution of this agreement they will exchange copies of all existing Letters Patent falling within, and all existing applications for Letters Patent the claims of which on issuance would fall within, the definition of phosphate patent rights.

11. Texas and Development agree that any future interference between Texas and Development, the subject mat-



ter of which falls within the defined field of invention, shall be settled, if possible, by mutual agreement after inspection of the invention dates available to the parties, and if agreement cannot be reached between them, the interference shall be handled in the manner set forth in paragraph 2 (b) hereof.

12. Each of the parties hereto agrees that it will promptly deliver to the other party hereto copies of all licenses granted, by it or by any of the companies to which it has extended such licensing rights under paragraph 5 (b) or paragraph 6 (b) hereof, to third parties under the phosphate patent rights forming the subject matter hereof or any of them.

13. (a) Texas and Development hereby agree that any and all revenues received by them and by the companies to which they have extended licensing rights under paragraph 5 (b) or paragraph 6 (b) hereof, by way of damages for the infringement of, or as royalty for licenses under, the phosphate patent rights forming the subject matter of this agreement or any of them, shall be divided equally between Texas and Development.

(b) The parties further agree to account to each other on or before the last day of January of each year for the gross revenues so received during the preceding calendar year.

(c) It is expressly agreed by the parties hereto that they shall be under no obligation to account for any licenses, immunities or other non-monetary compensation received as damages or in exchange for licenses granted hereunder.

14. This agreement shall remain in full force and effect until December 31, 1948 unless sooner terminated by one of the parties hereto. Either Texas or Development may

cancel this agreement on or subsequent to the first day of January, 1943, by giving twelve (12) months' written notice of its election to cancel to the other party.

15. Texas and Development each agrees that when requested by the other party hereto it will execute and deliver such further documents as may be necessary, now or hereafter, to carry into effect the provisions of this agreement.

16. This agreement embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties, relating to the subject matter hereof.

17. This agreement shall benefit and be binding upon the respective parties hereto and their respective successors in interest.

18. The addresses of the parties hereto for all purposes specified in this agreement shall be as follows:

The Texas Company  
135 East 42nd Street  
New York, New York

Standard Oil Development Company  
P. O. Box 243  
Elizabeth, New Jersey

All payments provided for in this agreement shall be made, and all notices provided for herein shall be directed, to the respective parties, at the above addresses; provided, however, that either party shall have the right to change such address by notice in writing directed to the other party.

In Witness Whereof, the parties hereto have respectively caused this instrument to be executed on the dates hereinafter indicated.

The Texas Company  
By M. Helpen

Vice President

Approved

W. M. S.

Attest:

W. G. Elicker  
Asst. Secretary

Date: Aug 7 1941

Standard Oil Development Company  
By William E. Currie

Vice President

Attest:

W. F. Quick  
Asst. Secretary

Date: Jul 29 1941

United States of America }  
Southern District of Texas } ss.

I, Hal V. Watts, Clerk of the United States District Court in and for the Southern District of Texas, do hereby certify that the annexed and foregoing is a true and full copy of the Agreement and Supplemental Agreement, same being excerpts from "Defendant's Answers to Certain of Plaintiffs' Interrogatories that were served on July 1, 1943", filed July 16, 1943 in Cause No. 1041 on the Civil Action Docket of this Court at the Houston Division and styled: Truman B. Wayne and Visco Products Company vs. The Texas Company, the original complaint in said suit being filed on June 7th, 1943, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Houston, Texas this 8th day of September, A. D. 1943.

Hal V. Watts,

Clerk,

By F. Hise,

Deputy Clerk.

(Seal)

Filed *November 25, 1936*

WITNESSES: *George E. Cannon*

In consideration of Twenty Dollars and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned hereby assigns to the Standard Oil Development Company, a Delaware Corporation, its successors, legal representatives and assigns the entire right, title and interest, subject to the license hereinafter defined, in the invention or improvements entitled as above and in the application for Letters Patent of the United States therefor executed by the undersigned as follows:

and in any release or extension of any Letters Patent that may be granted upon said application, and in any and all improvements thereon or relating thereto which the undersigned has (HENCE) invented or may hereafter invent.

The undersigned hereby authorizes(s) and requests(s) the Commissioner of Patents to issue said Letters Patent to said Standard Oil Development Company.

For said considerations, the undersigned hereby agrees(s) upon the request of said assignee, its successors, legal representatives or assigns, to execute any and all divisional and renewal applications for said invention or improvements, and any necessary oath or supplemental oath or affidavit relating thereto, and any application for the release or extension of any Letters Patent that may be granted upon said application that said assignee, its successors, legal representatives or assigns may deem necessary or expedient, and for the said considerations the undersigned further agrees(s), upon the request of said assignee, its successors, legal representatives or assigns, in the event of said application or any division thereof, or Letters Patent issued thereon or any release or application for the release thereof, becoming involved in interference, to cooperate to the best of the ability of the undersigned with said assignee, its successors, legal representatives or assigns in the matter of preparing and executing the preliminary statement and giving and producing evidence in support thereof, the undersigned hereby agreeing to perform, upon such request, any and all affirmative acts to obtain said Letters Patent and vest all rights therein hereby conveyed in said assignee, its successors, legal representatives or assigns as fully and entirely as the case would have been held and enjoyed by the undersigned if this assignment and sale had not been made. And for said considerations, the undersigned hereby assigns to said Standard Oil Development Company, its successors, legal representatives and assigns, the entire right, title and interest in said invention or improvements for any and all foreign countries and agrees(s) upon the request of said Standard Oil Development Company, its successors, legal representatives or assigns to execute any and all documents that shall be required of the undersigned to be executed in connection with any and all applications for foreign Letters Patent therefor, including the prosecution thereof, and to execute any and all documents necessary to invest title in said foreign applications and patents in said assignee, its successors, legal representatives or assigns, and to claim for any foreign application the priority date of the said United States application.

The undersigned hereby reserves(s) to himself Oil and Refining Company, a corporation of Texas, a non-exclusive, royalty-free, non-transferable, irrevocable license under any United States or foreign patent that may issue to cover the invention or improvements referred to above.

WITNESS, the hand(s) and seal(s) of the undersigned this 5th day of November, 1936.

*George E. Cannon*  
\_\_\_\_\_  
\_\_\_\_\_

RECEIVED  
U.S. PATENT OFFICE

NOV - 4 1936

*Wm. J. ...*  
Commissioner of Patents

1189 MAR 6 1937

State of Texas

§ 9.1

County of Harris

Public in and for the County and State aforesaid, appeared before me a Notary

Public in and for the County and State aforesaid, appeared **GEORGE E. CANNON** to me personally known to be the same person(s) whose name(s) is to be personally known to the foregoing instrument, and acknowledged (and) subscribed to the foregoing instrument as his (their) free and voluntary act, and for the uses and purposes therein expressed.

WITNESS my hand and seal the day and year last above given.



*Edna M. Cannon*  
Notary Public in and for Harris County, Texas

(SEAL)

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Vol. 3 1943

RECEIVED

IN THE  
**Supreme Court of the United States**

October Term 1943

No. 240

WILLIAM

PETITIONER

IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1943.

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No. 240.

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TRUMAN B. WAYNE, *Petitioner,*

v.

WILLIAM W. ROBINSON, JR., and THE TEXAS COMPANY,  
*Respondents.*

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**PETITION FOR REHEARING RE PETITION FOR  
WRIT OF CERTIORARI.**

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To the Honorable, the Chief Justice, and the Associate  
Justices of the Supreme Court of the United States:

As we pointed out in the Petition, the Court below, by its decision, has preempted an exclusive jurisdiction dominating the rights of private parties in every state of the Union. As a class, patent applicants everywhere, who chance to become involved in, and win, a three or more party interference in the Patent Office, must submit to suit in the District of Columbia, no matter how far away they reside.

In the nature of things no other Court of Appeals will hereafter have an opportunity to consider this question.

No conflict of decisions can develop. Denial of the writ will foreclose the possibility of this Court ever construing a Statute (Sec. 72A, Title 35, U. S. Code) which it has never construed. The decree below will stand as the law of the land unless this Court intercedes in this case.

No Court ought be permitted to preempt an exclusive jurisdiction without review by higher authority. Especially so in a case like this, where that jurisdiction is predicated upon the joinder, as defendant, of one who has nothing to win or lose in the suit, and more especially so where the decision of the Court below indicates a lack of appreciation of, and avoids treatment of, the crucial point involved.

The latter was but the natural result of the character of hearing had in the Court of Appeals. In the first minute (so it seemed) of the hearing in the Court of Appeals, the presiding judge interrupted counsel for appellant (Respondent here) to say (we quote from memory):

“I have just read the briefs and I cannot understand how so able a District Judge could have gone so far wrong.”

From that point, counsel for Appellant and the Presiding Judge had a field day criticizing the decision below. When it came the turn for counsel for Appellee (Petitioner here) to defend the correctness of Judge Bailey's decision, no convincing argument to the Court was possible; it was a case of arguing against the Presiding Judge. Reversal was obvious.

Under such circumstances it is not surprising that the Court of Appeals entirely missed the point of our contentions. While in its opinion it recognized that the real question involved was whether Standard Oil Development Company was an “adverse party”, the decision indicates that the Court thought our contention was predicated either upon the fact that Standard was an assignee (rather than the inventor) or that since Standard had not appeared in the case “there was actually no adversity of parties”. We



made neither contention. Our contention was that Standard could not be an *adverse* party because the complaint here prayed no relief which would affect the rights of Standard in any way.

Since Standard Oil Development Company (or Cannon, its assignor) had naught to lose and naught to gain in this suit, there could be no adversity of interest between it (Standard) and Defendant Wayne, or plaintiff Texas Company, and hence the unnecessary joinder of Standard as a party defendant could not properly create jurisdiction in the District Court. The failure of Standard to appear simply emphasizes the lack of genuine adversity.

The Court below was mistaken when it said, "The Second Circuit has decided the question favorable to Appellant's contention in the case of *Nachod and U. S. Signal Co. v. Automatic Signal Corp.*" The controversial defendant there (Automatic Signal Corporation), owned rights under the *winning* application and, unlike Standard here, stood to lose those rights if the relief prayed for in the suit was granted. There was, in the Nachod case no third party who, like Standard here, had nothing to win or lose.

That Judge Patterson, in his dissent in the Nachod case, conceded "that an assignee or owner of a (winning\*) application is an adverse party" is without point, because Standard's assignor had not won the interference but lost it. The only significance of the dissenting opinion in the Nachod case is that since the District Judge here agreed with Judge Patterson that the possession of license rights under the winning application was insufficient to make an exclusive licensee an "adverse party", *a fortiori*, a third party, like Standard, who possess no rights at all under the winning application, could not be an "adverse party" as contemplated by Sec. 72a, Title 35, U. S. Code.

In point of fact both the majority and the dissenting opin-

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\*Judge Patterson's concession to which the Court refers applies only to the assignee of "The person who won the interference", 105 Fed. (2d) 984.

ions in the Nachod case recognized that these suits are ordinarily brought in the district "wherein the person who was held to be the prior inventor resides" (l.c., 983) or "in the district whereof the owner of the prevailing application is an inhabitant" (l.c. 984). If the procedure suggested by the majority opinion in the Nachod case, l.c. 983, had been followed in this case, the suit would have been filed not in the District of Columbia, but in the Southern District of Texas where Wayne, who is both the inventor and the owner of the prevailing application, resides.

The decision below therefore rests not only upon a misapprehension of the point involved in this case, but a misinterpretation of the Second Circuit decision upon which in the main the decision below is based. As pointed out in the Petition, the decision below is furthermore inconsistent with the reasoning of other decisions by the same Court involving the statute here in controversy, vide *Coe v. Hobart Mfg. Co.*, 102 Fed. (2d) 270, *Tomlinson of High Point v. Coe*, 123 Fed. (2d) 65.

*This Court has never construed the statute here in controversy* (Sec. 72A, Title 35, U. S. Code). Since the decision below is nationwide in scope and effect, the question presented is of such public importance that this Court ought to review the case.

Wherefore it is prayed that the Petition be reconsidered and granted.

Respectfully submitted,

JOHN H. BRUNINGA,  
JOHN H. SUTHERLAND,  
*Counsel for Petitioner.*

It is hereby certified that the foregoing Petition for Rehearing is believed to be well founded in law and fact and that it is not interposed for the purpose of delay.

JOHN H. SUTHERLAND.